



February 28, 2014

ENGROSSED HOUSE BILL No. 1116

DIGEST OF HB 1116 (Updated February 26, 2014 3:25 pm - DI 110)

Citations Affected: IC 7.1-3; IC 14-18.

Synopsis: Alcohol sales at inns on state owned land. Allows the department of natural resources to permit, in the terms of a lease or contract concerning state owned land under the management and control of the department, the retail sale of alcoholic beverages for consumption on the licensed premises of an inn if the lessee or concessionaire applies for and secures the necessary permits. (Current law allows only for a lease or contract that concerns federally owned land under the control and management of the department.) Amends permit requirements for certain artisan distillers.

Effective: July 1, 2014.

Dermody, GiaQuinta, Eberhart

(SENATE SPONSOR — YODER)

January 9, 2014, read first time and referred to Committee on Public Policy.
January 23, 2014, reported — Do Pass.
January 27, 2014, read second time, ordered engrossed. Engrossed.
January 28, 2014, read third time, passed. Yeas 91, nays 4.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Public Policy.
February 27, 2014, amended, reported favorably — Do Pass.

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February 28, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1116

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 7.1-3-27-7, AS ADDED BY P.L.109-2013,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 7. (a) This section applies only to a person that, on
4 January 1, 2014:
5 (1) holds the necessary permit or license from the United States
6 to own or operate an establishment to manufacture liquor; and
7 (2) does not hold any of the permits listed in section 5(a)(1) of
8 this chapter.
9 (b) A person must meet all the following requirements to be eligible
10 for an artisan distiller's permit under this section:
11 (1) Any person (except for a person under subdivision (2)) who
12 sells or furnishes liquor by the bottle or glass on the premises of
13 the artisan distillery:
14 (A) must have held for at least three (3) years an employee a
15 permit under IC 7.1-3-18-9 that authorizes the person to
16 perform bartending duties;

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(B) must have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and

(C) may not have any violations under this title.

(2) The applicant for the artisan distiller's permit and any management representative of the applicant must complete an alcohol server program or a trainer program established or approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than one (1) year before the date of the application for the artisan distiller's permit.

(c) Except as provided in subsection (f)(2), the person may not be required to fulfill the requirements of section 5 of this chapter.

(d) If the person is issued an artisan distiller's permit under this section, the person must meet the following requirements for the period set forth in subsection (e):

(1) Any person selling or furnishing liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must meet the requirements of subsection (b)(1).

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit must successfully complete refresher courses under IC 7.1-3-1.5 not later than three (3) years after the date the holder or representative completes the initial server program or trainer program.

(e) A person who is issued an artisan distiller's permit under this section must meet the requirements in subsection (d) until the later of:

(1) three (3) years after the date on which the initial artisan distiller's permit is issued; or

(2) the date that the holder of the artisan distiller's permit has one (1) twelve (12) month period without a violation of this title.

(f) Upon fulfilling the requirements of subsections (d) and (e), a person who is issued an artisan distiller's permit under this section must meet the following requirements for as long as the person holds the permit:

(1) Any person who sells or furnishes liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must have an employee permit under IC 7.1-3-18-9 and be otherwise authorized by the commission to perform bartending duties. However, the person is not required to

~~(A) hold an employee bartending permit for three (3) years before selling or furnishing liquor; and~~

~~(B) not have any violations under this title.~~



(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit are subject to the same alcohol server training requirements and refresher course requirements as the holder of an artisan distiller's permit that meets the requirements of section 5 of this chapter.

SECTION 2. IC 14-18-2-3, AS AMENDED BY P.L.71-2012, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) As used in this section, "inn" means a public facility that has the following:

(1) At least twenty (20) rooms for the accommodation of overnight guests.

(2) A dining room that offers table service for at least forty (40) individuals at one (1) time during normal dining hours.

(b) A lease and contract authorized by this chapter must include in its terms the following provisions and conditions:

(1) The legal description of the leasehold. A survey for the description is not required.

(2) The term of the lease. The term may not exceed forty (40) years with two (2) additional options to renew of thirty (30) years each.

(3) Provision for the submission of complete plans and specifications to the department for review and written approval before beginning any construction.

(4) The manner of payment of rental.

(5) The facilities provided will be available to the public without discrimination and at charges designed to make the facilities available to a maximum number of the citizens of Indiana.

(6) That the rates and fees charged for goods and services on the leased area will be in accord with those charged at similar developments in the area.

(7) The disposition of the leasehold and improvements at the termination of the lease.

(8) Except as provided in ~~subsection~~ **subsections (c) and (e)**, if the lease and contract concerns state owned land under the management and control of the department, including state parks, a prohibition on the sale or public display of alcoholic beverages on the premises.

(c) A lease and contract authorized by this chapter may permit in its terms the retail sale of alcoholic beverages for consumption on the licensed premises of an inn if

~~(1) the lease and contract concerns federally owned land under~~



1 ~~the control and management of the department; and~~

2 (2) the lessee or concessionaire applies for and secures the
3 necessary permits required by IC 7.1.

4 (d) A lease and contract authorized by this chapter may permit in its
5 terms the retail sale of alcoholic beverages for consumption on the
6 licensed premises of a public golf course if:

7 (1) the lease and contract concerns federally owned land that is:

8 (A) under the control and management of the department; and

9 (B) located on Brookville Reservoir; and

10 (2) the lessee or concessionaire applies for and secures the
11 necessary permits required by IC 7.1.

12 (e) A lease and contract authorized by this chapter may permit in its
13 terms the retail sale of alcoholic beverages for consumption on the
14 licensed premises of a pavilion located within Indiana Dunes State Park
15 if the lessee or concessionaire applies for and secures the necessary
16 permits required by IC 7.1.

17 (f) The retail sale of alcoholic beverages on licensed premises
18 described in subsections (c), (d), and (e) is subject to any other
19 applicable alcoholic beverage provisions under the Indiana Code and
20 any rule adopted to implement any other applicable alcoholic beverage
21 provisions under the Indiana Code.

22 (g) A lease and contract may prescribe other terms and conditions
23 that the department considers necessary and advisable to carry out the
24 intent and purposes of this chapter.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1116, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1116 as introduced.)

Committee Vote: Yeas 11, Nays 1

Representative Dermody

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1116, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-3-27-7, AS ADDED BY P.L.109-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) This section applies only to a person that, on January 1, 2014:

- (1) holds the necessary permit or license from the United States to own or operate an establishment to manufacture liquor; and
- (2) does not hold any of the permits listed in section 5(a)(1) of this chapter.

(b) A person must meet all the following requirements to be eligible for an artisan distiller's permit under this section:

- (1) Any person (except for a person under subdivision (2)) who sells or furnishes liquor by the bottle or glass on the premises of the artisan distillery:
 - (A) must have ~~held for at least three (3) years an employee a~~ permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;
 - (B) must have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and
 - (C) may not have any violations under this title.
- (2) The applicant for the artisan distiller's permit and any management representative of the applicant must complete an

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alcohol server program or a trainer program established or approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than one (1) year before the date of the application for the artisan distiller's permit.

(c) Except as provided in subsection (f)(2), the person may not be required to fulfill the requirements of section 5 of this chapter.

(d) If the person is issued an artisan distiller's permit under this section, the person must meet the following requirements for the period set forth in subsection (e):

(1) Any person selling or furnishing liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must meet the requirements of subsection (b)(1).

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit must successfully complete refresher courses under IC 7.1-3-1.5 not later than three (3) years after the date the holder or representative completes the initial server program or trainer program.

(e) A person who is issued an artisan distiller's permit under this section must meet the requirements in subsection (d) until the later of:

(1) three (3) years after the date on which the initial artisan distiller's permit is issued; or

(2) the date that the holder of the artisan distiller's permit has one (1) twelve (12) month period without a violation of this title.

(f) Upon fulfilling the requirements of subsections (d) and (e), a person who is issued an artisan distiller's permit under this section must meet the following requirements for as long as the person holds the permit:

(1) Any person who sells or furnishes liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must have an employee permit under IC 7.1-3-18-9 and be otherwise authorized by the commission to perform bartending duties. However, the person is not required to

~~(A) hold an employee bartending permit for three (3) years before selling or furnishing liquor; and~~

~~(B) not have any violations under this title.~~



(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit are subject to the same alcohol server training requirements and refresher course requirements as the holder of an artisan distiller's permit that meets the requirements of section 5 of this chapter."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1116 as printed January 24, 2014.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

